

## *A Message from the Secretary*

I am pleased to issue the Department of Labor's first accountability report. This report presents financial, program and performance data on the Department for Fiscal Year 1997 and charts our progress in meeting three strategic goals: **A Prepared Workforce**--to enhance opportunities for America's workforce; **A Secure Workforce**--to promote the economic security of workers and families; and **Quality Workplaces**--to foster workplaces that are safe, healthy, fair and free of discrimination.

I am committed to accomplishing the Department's strategic goals for America's workers, retirees and their families, and I am committed to ensuring that any taxpayer money invested in these goals achieves results.

I am proud to report that the Department's Inspector General has issued an unqualified opinion on the Department's Financial Statements for FY 1997. This provides us with a solid foundation for meeting the high standards of financial reporting required by the Government Performance and Results Act and other statutes. With this opinion and the certifications of senior managers, I can certify with reasonable assurance that the Department's systems of accounting and internal controls are in compliance with the Federal Managers' Financial Integrity Act.

Maintaining the public's trust and providing sound stewardship of their funds is a goal vital to me and this Department. This report represents an initial step in presenting the programs and achievements that warrant the public's confidence in future investments in the Department of Labor.

Alexis M. Herman  
Secretary of Labor

## *A Message from the Chief Financial Officer*

I am pleased to join with Secretary Herman in presenting the Department of Labor's Accountability Report for Fiscal Year 1997. This report, our first under a pilot authorized by the Government Management Reform Act of 1994, consolidates in one document information that was previously distributed in several separate reports.

The Department is proud of its accomplishments in financial management. The Department's Inspector General issued an unqualified, or "clean," opinion on our Fiscal Year 1997 consolidated financial statements. Under the Chief Financial Officer (CFO) Act of 1990 and the Government Management Reform Act of 1994, all Federal agencies are required to produce annual financial statements, and to have the statements audited. DOL is among the first few cabinet level agencies to achieve this unqualified level of financial performance. The audit report also states that no material weaknesses were found in the department's system of internal controls that would affect the accuracy of financial statements. As noted by our Inspector General, the Department also made significant strides during Fiscal Year 1997 in closing previously reported internal control problems.

With this solid foundation, we continue to work to ensure that all financial systems comply with the requirements of the Federal Financial Management Improvement Act, and to resolve and close remaining internal control issues raised in the 1997 financial statements audit.

We expect this first Accountability Report to provide a baseline for timely, accurate and useful financial information upon which we can build and improve in the years to come. The Department's Strategic Plan and annual performance plans will serve in the future as cornerstones for this effort.

Kenneth M. Bresnahan  
Acting Chief Financial Officer

## *Introduction*

Created by a law signed by President William H. Taft on March 4, 1913, the U.S. Department of Labor is one of the oldest cabinet level departments in the Federal government.

### *Mission*

The Department of Labor fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement, health care, and other benefits. In carrying out this mission, the Department administers a variety of Federal labor laws guaranteeing workers' rights to safe and healthful working conditions; a minimum hourly wage and overtime pay; freedom from employment discrimination; unemployment insurance; and workers' compensation. The Department also protects workers' pension, health care, and other benefit rights; provides for job-training programs; helps workers find jobs; helps employers find workers; works to strengthen free collective bargaining; and keeps track of changes in employment, prices, and other national economic measurements.

### *Vision*

As we prepare to enter the 21st century, the Department will ensure that it has an effective strategy for improving the lives of America's working families and retirees. We will assist all workers in their efforts to achieve economic security with rising wages, pensions, health benefits, and opportunities to improve their skills in safe and healthful workplaces free from discrimination. The Department will encourage every workplace to support families, respect diversity, and foster cooperation between employers and workers. Our challenge will be to assist those trying to enter the workforce to get good jobs, to expand opportunity and security for all workers, and to maintain our pre-eminence in the broad field of labor economics and statistics.

The steps taken today to prepare the workforce will determine America's leadership in the next century. Working with public, private, and non-profit partners to achieve common goals, the Department will employ flexible, innovative, and coordinated responses to meet our challenges and to provide all working families with opportunity, security, and quality workplaces.

### *Background*

With the arrival of Secretary Herman in FY 1997, the Department began to refine its goals and priorities to meet the needs of America's working men and women in the new century. While the original purpose of the 1913 Act remains the central tenet for the Department's programs, **The Government Performance and Results Act (GPRA)** provided an opportunity to develop a modern framework for meeting the challenges of helping every American participate and prosper in today's highly competitive global economy.

GPRA has provided a valuable set of tools to enhance the Department's program and managerial effectiveness. Our work--and this report-- is organized around Secretary Herman's three strategic goals developed in formulating the Department's FY 1999 Performance Plan. This report will be refined in future years to more closely align the Department's programs with detailed outcomes within the Secretary's three goal strategic framework.

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***DOL Strategic Goals***

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| <b><i>Goal 1</i></b> | <b><i>A Prepared Workforce:</i></b><br><i>Enhance opportunities for America's workforce</i>            |
| <b><i>Goal 2</i></b> | <b><i>A Secure Workforce:</i></b><br><i>Promote the economic security of workers and families</i>      |
| <b><i>Goal 3</i></b> | <b><i>Quality Workplaces:</i></b><br><i>Foster quality workplaces that are safe, healthy, and fair</i> |

The Department is also proceeding with implementation of the governmentwide cost accounting standard. Future accountability reports will be enhanced to closely relate program costs with related outcomes and performance goals. This initial report summarizes more detailed program performance and financial data that accompanies the Department's FY 1997 Consolidated Financial Statements.